

Message Text

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C O N F I D E N T I A L SECTION 1 OF 2 PANAMA 4761

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SUBJECT: CANAL TREATY NEGOTIATIONS: LOCAL ATMOSPHERE

REF: A. PANAMA 4480; B. PANAMA 4481; C. PANAMA 4482; D. PANAMA 4495;
E. PANAMA 4663

SUMMARY: TORRIJOS' DECISION TO PUBLICLY REVEAL DETAILS OF THE NEGOTIATIONS IN HIS MEETINGS WITH THE STUDENTS JULY 9 AND THE NATIONAL ASSEMBLY OF CORREGIMIENTO REPRESENTATIVES (NACR) JULY 18 WAS HIS WAY OF MANAGING THE DIFFICULT POLITICAL PROBLEMS CAUSED FOR HIM BY THE SNYDER AMENDMENT AND SUBSEQUENT EVENTS IN THE U.S. AND OF BUYING ADDITIONAL TIME TO CONTINUE THE CANAL TREATY NEGOTIATIONS. HE HAD TO FIND A NEW RATIONALE FOR USE IN COUNSELING PATIENCE TO STUDENTS AND ULTRANATIONALISTS WHILE SHOWING THAT NO "SELL-OUT" OF PANAMANIAN INTERESTS WAS UNDERWAY. HE HAS IN PART ACCOMPLISHED THIS. THE NACR'S NOTE OF CONFIDENCE FOR TORRIJOS AND ITS AUTHORIZATION TO PURSUE THE NEGOTIATIONS WILL BE HELPFUL TO HIM IN FENDING OFF SUGGESTIONS TO TAKE RASH ACTION PROVIDED THAT THE NEGOTIATIONS ARE RESUMED SOON AND BEGIN TO SHOW PROGRESS. DURING PAST WEEK FAILURE OF SNYDER AMENDMENT TO GET APPROVAL IN SENATE HAS STIMULATED MILDLY OPTIMISTIC COMMENTARY IN PRESS. EDITORIAL LINE IN GOP-CONTROLLED PRESS IS THAT PANAMA REMAINS READY TO NEGOTIATE AND THAT GOP HAS MADE CLEAR TO U.S.

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ITS POSITION ON CRUCIAL LANDS AND WATERS AND DURATION ISSUES AND

IS AWAITING CONCRETE U.S. RESPONSE. MODERATES IN GOP REMAIN CONCERNED OVER PROSPECTS FOR NEGOTIATIONS. THEY FEAR THAT DURING PROTRACTED NEGOTIATIONS, TORRIJOS, TO BUY POLITICAL PEACE, WOULD MAKE TOO MANY CONCESSIONS TO STUDENTS AND LEFTISTS. EMBASSY BELIEVES TORRIJOS HAS ESTABLISHED SITUATION IN WHICH, BARRING ACCIDENTS, HE WILL BE ABLE TO CONTINUE TREATY NEGOTIATIONS IN AN AMICABLE MANNER PROVIDED HE IS CONVINCED PROGRESS CAN BE ACHIEVED. NEVERTHELESS, SOME NEGOTIATING MOMENTUM HAS BEEN LOST AND TORRIJOS' POLITICAL SITUATION WILL PROBABLY REQUIRE FROM HIM A MORE MILITANT EXHIBITION OF NATIONALISM IN ORDER TO MAINTAIN A DEGREE OF FLEXIBILITY IN THE NEGOTIATIONS. END SUMMARY

1. TORRIJOS' DECISION TO "OPEN UP", AT LEAST TEMPORARILY, THE NEGOTIATIONS TO PUBLIC SCRUTINY WAS HIS WAY OF BUYING TIME AND CREDIBILITY TO CONTINUE WITH THEM. THIS DECISION MUST BE CONSIDERED WITHIN THE CONTEXT OF THE OVERALL POLITICAL ENVIRONMENT IN PANAMA SURROUNDING THE CANAL TREATY NEGOTIATIONS. EVER SINCE THE SIGNING OF THE TACK-KISSINGER EIGHT POINT DECLARATION OF PRINCIPLES ULTRANATIONALISTS HAVE CHARGE THAT TORRIJOS WAS "SELLING OUT" PANAMA'S NATIONALIST POSITION IN THE NEGOTIATIONS. RADICAL STUDENTS HAVE CONSISTENTLY AGITATED AGAINST THE PANAMANIAN COMPROMISES IMPLIED IN THE PRINCIPLES, PARTICULARLY AGAINST ANY CONTINUING U.S. MILITARY PRESENCE IN THE CANAL ZONE. IN ADDITION, TORRIJOS' CONSERVATIVE OPPONENTS HAVE MISSED NO OPPORTUNITY DURING THE PAST YEAR AND ONE-HALF TO EXPLOIT AND CRITICIZE ANY SEEMING CONTRADICTION BETWEEN THE GOP'S PROCLAIMED NATIONALIST GOALS AND THE COMPROMISE AGREEMENTS THAT APPEARED TO BE EMERGING IN THE NEGOTIATIONS. THESE OPPONENTS HAVE ATTEMPTED TO CAST DOUBT ON THE ABILITY OF TORRIJOS AND THE GOP NEGOTIATORS TO CONDUCT SUCCESSFUL NEGOTIATION WITH THE U.S. FINALLY, TORRIJOS WAS UNDER HEAVY PRESSURE FROM NATIONALISTS, STUDENTS AND OPPONENTS TO LIFT THE VEIL OF SECRECY SURROUNDING THE NEGOTIATIONS.

2. MEANWHILE, PRESS REPORTS, USUALLY BASED ON ESTIMATES GIVEN BY OFFICIALS IN PANAMA OR THE U.S., HAD PREDICTED THAT A DRAFT TREATY WOULD BE COMPLETED FIRST BY DECEMBER 1974, THEN MARCH OR APRIL, AND LATER JUNE 1975. IN THE ATMOSPHERE OF PROGRESS AND OPTIMISM OCCASIONED BY THESE ESTIMATES TORRIJOS HAD COUNSELED

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THE STUDENTS TO BE PATIENT AND DO NOTHING THAT MIGHT DISRUPT THE PROGRESS IN THE NEGOTIATIONS. HE PUBLICLY PROMISED, HOWEVER, THAT IF NEGOTIATIONS CAME TO A DEAD END OR HE BECAME CONVINCED THAT THE U.S. WAS NOT ACTING IN GOOD FAITH, HE WOULD CONSULT WITH THE PEOPLE CONCERNING AN ALTERNATE STRATEGY TO BE ADOPTED.

3. THE NEWS OF THE SNYDER AMENDMENT AND SUBSEQUENT PRESS REPORTS

THAT U.S. EXECUTIVE MIGHT BE DISPOSED NOT TO SEEK TREATY AGREEMENT BEFORE THE 1976 ELECTIONS WERE SHARP BLOWS FOR THE PANAMANIAN PUBLIC AND FOR TORRIJOS. STUDENTS DEMONSTRATED AT THE U.S. EMBASSY AND PLANNED TO DO SO AGAIN ON JULY 4. THESE PLANS WERE CANCELLED ONLY AFTER TORRIJOS AGREED TO MEET PERSONALLY WITH THE STUDENTS TO DISCUSS OPENLY THE STATUS OF THE CANAL TREATY NEGOTIATIONS. THE MEETING WITH STUDENTS, WHILE HELPFUL, DID NOT SATISFY CERTAIN RADICAL STUDENT GROUPS WHICH SUBSEQUENTLY PASSED OUT LEAFLETS, AT THE UNIVERSITY AND ELSEWHERE, HIGHLY CRITICAL OF TORRIJOS AND THE U.S. THIS CONTINUING CRITICISM CONVINCED TORRIJOS, ACCORDING TO RELIABLE SOURCE, THAT HE SHOULD PROTECT HIMSELF POLITICALLY BY SEEKING A VOTE OF CONFIDENCE FOR HIS CONDUCT OF THE NEGOTIATIONS FROM THE NATIONAL ASSEMBLY OF CORREGIMIENTO REPRESENTATIVES (NACR).

4. MEMBERS OF GOP NEGOTIATING TEAM SOUGHT IN THEIR SPEECHES TO NACR REPRESENTATIVES ON JULY 18 TO SHOW THAT U.S. IS FORMIDABLE NEGOTIATING OPPONENT, CONSIDERABLE GAP EXISTS BETWEEN U.S. AND PANAMANIAN POSITIONS, AND, ALTHOUGH PROGRESS HAD BEEN MADE IN NEGOTIATIONS, THEY WERE TEMPORARILY STALLED OVER LANDS AND WATERS ISSUE (REPORTED REFS A THROUGH D). PANAMA, THEY SAID, WAS PREPARED TO CONTINUE WITH THE NEGOTIATIONS AND WAS WAITING FOR THE RETURN OF THE U.S. NEGOTIATORS. THE GOP OFFICIALS ALSO TOLD THE REPRESENTATIVES THAT "REACTIONARY" ELEMENTS IN U.S. WOULD LIKE TO DISRUPT THE NEGOTIATIONS AND WERE TRYING TO PROVOKE PANAMA INTO RASH ACTION WHICH WOULD DISRUPT THE TALKS. PANAMANIAN SHOULD NOT BE TRICKED INTO MAKING SUCH MISTAKES.

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INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-03

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5. TORRIJOS OBTAINED FROM THE NACR A RESOLUTION EXPRESSING THE REPRESENTATIVES' TOTAL CONFIDENCE AND SUPPORT FOR HIM AND HIS NEGOTIATORS (REF E). IT AUTHORIZED HIM TO CONTINUE WITH "PEACEFUL" NEGOTIATIONS AND URGED HIM TO STEP UP PANAMA'S DIPLOMATIC CAMPAIGN TO ORGANIZE WORLDWIDE SUPPORT FOR PANAMA'S CANAL. THUS, TORRIJOS NOW HAS THE NACR RESOLUTION TO POINT TO WHEN ANYONE ARGUES THAT HE SHOULD ABANDON THE NEGOTIATIONS. EXCEPT FOR RADICAL STUDENTS AND SOME ULTRANATIONALISTS WHO CONTINUE TO CRITICIZE GOP, THE GENERAL RESPONSE FROM PUBLIC TO GOP'S "NEW STRATEGY" AND TO POLICY POSITIONS EXPOSED DURING JULY 9 MEETING WITH STUDENTS AND JULY 18 NACR MEETING APPEARS POSITIVE. THE ONLY PUBLIC CRITICISM OF GOP HAS BEEN BY RADIO IMPACTO WHICH ATTACKED THE GOP TREATY NEGOTIATORS' STATEMENTS TO THE NACR FOR GIVING A "VEILED JUSTIFICATION OF THE (MILITARY) BASES." IMPACTO ALSO ACCUSED THE GOP OF NOT HAVING "OPENED UP" THE NEGOTIATIONS AS IT CLAIMED TO HAVE DONE.

6. TORRIJOS' DECISION TO "OPEN" THE NEGOTIATIONS HAS BEEN DESCRIBED BY EDITORIALS IN GOP-CONTROLLED PRESS AS "REVOLUTIONARY" ACT EMBODYING "NEW STRATEGY". ONE EDITORIAL ("MATUTINO" JULY 21), ANTICIPATING EXTENDED NEGOTIATIONS, SIGNED THAT PANAMA'S POSITION WOULD "STRENGTHEN AND TOUGHEN" ITSELF AND GOP WOULD PURSUE NEGOTIATIONS UNTIL PANAMA'S OBJECTIVES WERE ACHIEVED. NEWS OF SENATE OPPOSITION TO BYRD (SNYDER) AMENDMENT AND RESO-

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LUTION STIMULATED MORE POSITIVE TONE IN PRESS. RECENTLY RASH OF ARTICLES AND EDITORIALS FROM U.S. PAPERS HAVE BEEN REPRINTED IN LOCAL PRESS. THESE INCLUDED DAVID BINDER'S NYT ARTICLE JULY 29, AND ASSISTANT SECRETARY ROGERS' ARTICLE DISTRIBUTED BY USIS. EDITORIAL COMMENTARY WAS FAVORABLE, BUT COLUMNIST RICARDO LINCE IN "MATUTINO" AUGUST 2 INTERPRETED ROGERS' REFERENCE TO POSSIBILITY OF "HOSTILITIES" BETWEEN PANAMA AND U.S. AS A THREAT THAT U.S. WAS PREPARED TO MILITARILY INVADE PANAMANIAN TERRITORY.

7. THE POLITICAL LINE THAT HAS APPEARED IN EDITORIALS OF GOP-CONTROLLED PAPERS RECENTLY IS BEST CAPSULIZED BY FOLLOWING EXCERPT FROM "PULSE OF PANAMA" ("EL PANAMA AMERICA, PAGE ONE, AUG. 1): "OUR COUNTRY MAINTAINS ITS POLICY OF NEGOTIATION...AT NO MOMENT HAS PANAMA SUSPENDED OR PARALYZED THE NEGOTIATIONS. PANAMA...PUT ITS CARDS ON THE TABLE, INDICATED ITS POSITIONS CONCERNING THE PERIOD OF NEW TREATY AND THE LANDS AND WATERS THAT ARE NEEDED FOR THE OPERATION OF THE CANAL OR THE DEFENSE SITES; AND THE UNITED STATES OUGHT TO GIVE A CONCRETE ANSWER. ONE KNOWS THAT SENSIBLE GROUPS IN THE UNITED STATES, AND THE PRESSURE THAT THE HONEST PRESS OF THE UNITED STATES IS MAKING,

WILL SOON ACHIEVE (MAKE IT POSSIBLE) THAT THE NORTH AMERICAN NEGOTIATORS CAN HAVE A REPLY WHICH CAN BE ACCEPTED BY PANAMA."

8. THE MOOD OF GOP OFFICIALS AND OTHER INSIDERS ASSOCIATED WITH THE NEGOTIATIONS WAS MORE GLOOMY DURING THE MONTH OF JULY THAN THE PRESS REFLECTED. IN PRIVATE, THEY STATE THAT WHILE TORRIJOS, BY MEANS OF MEETING WITH STUDENTS AND THE NACR SESSION, HAS BROUGHT SOME TIME TO CONTINUE THE NEGOTIATIONS, SUCH CONTINUATION WOULD ONLY BE POSSIBLE IF U.S. POSITIONS ON LANDS AND WATERS AND DURATION BECOME REASONABLE. PANAMANIAN SUPPORTERS OF NEGOTIATIONS HAVE EXPRESSED CONCERN THAT PROLONGED DELAYS WILL MAKE IT MORE DIFFICULT FOR TORRIJOS TO COMPROMISE ON DIFFICULT ISSUES. SOME HARDLINER PANAMANIAN ARE ARGUING THAT GOP SHOULD TAKE ADVANTAGE OF DELAYS CAUSED BY IMPINGEMENT OF U.S. DOMESTIC POLITICAL PROCESS ON NEGOTIATIONS TO HARDEN ITS POSITION, BUILDING UP ITS NATIONALIST CREDENTIALS THEREBY, AND CONCURRENTLY STEP UP INTERNATIONAL PRESSURES ON U.S. TWO YEARS FROM NOW, THEY ARGUE, PANAMA'S RELATIVE STRENGTH IN NEGOTIATIONS WITH THE U.S. WILL HAVE INCREASED. MODERATES WANT AGREEMENT NOW BEFORE ACCIDENTS HAPPEN TRIGGERING AN EXPLOSION WHICH WOULD HINDER THE ESTABLISH-
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MENT OF A CLOSE U.S.-PANAMANIAN PARTNERSHIP. LATTER ALSO FEAR THAT IN ANY PERIOD OF PROTRACTED NEGOTIATION, TORRIJOS WOULD FEEL IT NECESSARY TO MAKE CONCESSIONS TO LEFTISTS AND STUDENTS IN ORDER TO KEEP THE POLITICAL SITUATION CALM.

9. COMMENT: TORRIJOS' HANDLING OF THE DOMESTIC POLITICAL PROBLEM CREATED BY ABSENCE OF NEGOTIATING PROGRESS, SNYDER AMENDMENT AND SUBSEQUENT NEGATIVE REPORTS FROM U.S. WAS SKILLFUL AND EFFECTIVE. HE BOUGHT ADDITIONAL TIME TO PURSUE THE NEGOTIATIONS PROVIDED THAT THEY ARE RESUMED SOON AND ACHIEVE PROGRESS. THE DEFEAT SUFFERED BY THE SNYDER (BYRD) AMENDMENT IN THE SENATE APPROPRIATIONS COMMITTEE AND THE FAILURE OF THE BYRD RESOLUTION TO OBTAIN SUPPORT PRIOR TO THE SENATE'S SUMMER RECESS SHOULD REDUCE SOMEWHAT THE TENSION IN PANAMA. TORRIJOS, NEVERTHELESS, REMAINS ON A TIGHTROPE CONCERNING THE NEGOTIATIONS AND HIS DOMESTIC POLITICAL SITUATION. TO POLITICALLY JUSTIFY EFFORTS TO KEEP STUDENTS AND NATIONALISTS CALM, HE WILL NEED SOON SOME VISIBLE MOVEMENT IN THE NEGOTIATIONS. IF THE TALKS MOVE SLOWLY, TO KEEP HIS NATIONALIST CREDENTIALS--AND SUPPORT--INTACT HE WILL ENGAGE IN SYMBOLIC ACTS TO DEMONSTRATE INDEPENDENCE FROM THE U.S. THESE WILL INCLUDE BROADENING PANAMA'S RELATIONSHIPS WITH SOCIALIST AND THIRD-WORLD COUNTRIES. TORRIJOS' PERCEPTION OF THE SERIOUSNESS OF HIS POLITICAL SITUATION WAS CRYPTICALLY EXPRESSED IN HIS RESPONSE TO A QUERY BY DAVID BINDER AS TO WHETHER HE WAS AWARE PRESIDENT FORD WAS ALSO CAUGHT BETWEEN OPPOSING POLITICAL FORCES: "IT IS EASIER FOR FORD BECAUSE HIS COUNTRY IS NOT BEING OCCUPIED." PANAMA'S POSITION IN THE NEGOTIATIONS ON LANDS AND WATERS IS SHAPED BY THIS

PERCEPTION.

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